



February 15, 2001

HOUSE BILL No. 2108

DIGEST OF HB 2108 (Updated February 14, 2001 1:00 PM - DI 92)

Citations Affected: IC 6-3; IC 21-9; noncode.

Synopsis: College savings tax exemption. Exempts distributions from an Indiana family college savings account used to pay qualified higher education expenses from the Indiana adjusted gross income tax.

Effective: January 1, 2002.

**Klinker, Turner, Harris, Buell,
Atterholt, Duncan, Kruzan**

January 17, 2001, read first time and referred to Committee on Ways and Means.
February 14, 2001, amended, reported — Do Pass.

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HB 2108—LS 7221/DI 92+



February 15, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 2108

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-2-19 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2002]: Sec. 19. (a) As used in this section, "account
4 beneficiary" has the meaning set forth in IC 21-9-2-3.

5 (b) As used in this section, "account owner" has the meaning set
6 forth in IC 21-9-2-4.

7 (c) As used in this section, "individual account" has the meaning
8 set forth in IC 21-9-2-2.

9 (d) As used in this section, "qualified higher education
10 expenses" has the meaning set forth in IC 21-9-2-19.5.

11 (e) Distributions from an individual account used to pay
12 qualified higher education expenses are exempt from the adjusted
13 gross income tax imposed by IC 6-3-1 through IC 6-3-7 as income
14 of an account beneficiary or an account owner.

15 SECTION 2. IC 21-9-10-2 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) Individual
17 accounts and all earnings or interest on accounts are exempt from

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1 taxation in Indiana to the extent that those accounts, earnings, and
2 interest are exempt from federal taxation under federal law, subject to
3 any penalties that are established for education savings programs under
4 this article.

5 **(b) Distributions under IC 6-3-2-19 from an individual account**
6 **used to pay qualified higher education expenses are exempt from**
7 **the adjusted gross income tax imposed by IC 6-3-1 through**
8 **IC 6-3-7.**

9 SECTION 3. [EFFECTIVE JANUARY 1, 2002] IC 6-3-2-19, as
10 added by this act, applies to taxable years beginning after
11 December 31, 2001.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 2108, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 14.

Page 2, line 23, delete "IC 6-3-2-6.5 and".

Page 2, line 24, delete "both".

Page 2, line 24, delete "apply" and insert "**applies**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 2108 as introduced.)

BAUER, Chair

Committee Vote: yeas 23, nays 0.

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